GOVERNMENT OF INDIA
POWER
LOK SABHA

UNSTARRED QUESTION NO:3609
ANSWERED ON:12.12.2002
CANCELLATION OF LOAN TO PGCIL BY WORLD BANK
BASUDEB ACHARIA

Will the Minister of POWER be pleased to state:

(a) whether PGCIL (Power Grid Corporation of India Limited) is providing optical fibre connectivity in various routes and also planning to enter into international long distance telephony, landing stations and data centres;

(b) if so, the details thereof;

(c) whether World Bank has cancelled its proposed loan of Rs.560 crore for PGCIL`s telecom project; and

(d) if so, the reasons therefor?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRIMATI JAYAWANTI MEHTA)

(a) & (b) : Power Grid Corporation of India Limited (PGCIL) has planned to enter into Telecom Communication Sector as infrastructure provider by leasing end-to-end bandwidth. The power transmission lines owned by PGCIL provide excellent connectivity through-out the country, which would enable setting up an optic fibre network on all India basis for broad band communication. PGCIL plans to develop telecom backbone network of about 14,000 Kms. which will connect all metros and major towns/cities in the country. PGCIL has already put Delhi-Chandigarh and Delhi- Jaipur Links into commercial operation utilizing spare capacity of Unified Load Despatch & Communication (ULDC) Links.PGCIL has also commissioned the Delhi-Mumbai Link and has put the same into commercial operation in October, 2002. At present, PGCIL does not plan to enter into long distance telephony, landing stations and data centres.

(c) & (d) : PGCIL signed an agreement with World Bank on 13th June, 2001 for a loan of US$ 450 million (Power System Development Project-II) for implementation if its various schemes including the scheme for Establishment of a Backbone Telecom Network. While the other schemes for which the loan has been approved by the World Bank are under implementation by PGCIL, the scheme for Establishment of Backbone Telecom Network is at advanced stage of investment approval. In the meanwhile, World Bank have intimated PGCIL that if the decisions for investment approval of the project and award of contracts for the telecom component of the Power System Development Project-II are not taken by 31st January, 2003, the Bank will not be able to agree to extension of the bid validity for the said packages, which would mean that the contracts in question would not be financed by the Bank and the corresponding amount would be canceled from the loan.